

Funding Rural Education

***a report by the
Select Committee on Rural Economic Development
Virginia Strom-Martin, Chair***

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EXECUTIVE SUMMARY

The Select Committee on Rural Economic Development is an advisory body of the California Assembly. The Committee's mission is to gather information on the state programs and policies that adversely impact rural areas. Based on that information, the Committee's role is to recommend changes to those programs and policies that will improve the quality of life for rural Californians.

The Select Committee on Rural Economic Development and the Assembly Budget Subcommittee on Education Funding jointly conducted an informational hearing on the problems associated with providing elementary and high school educational services in a rural setting. Held on April 1, 1999 in the First Assembly District community of Arcata, the hearing featured presentations from school administrators and program directors from North Coast counties of Del Norte, Humboldt and Mendocino. The purpose of the hearing was to learn how state funding mechanisms impact rural education, given the unique circumstances rural educators face. The topics addressed included:

- School Nursing
- Student Transportation
- Categorical Reform
- Class Size Reduction
- Low-Wealth School Districts
- Necessary Small Schools
- ADA funding
- Special Education Services
- Staff Development

Testimony presented at the hearing focused on the need for school funding formulas that give special consideration to the unique issues associated with providing an education in a rural setting. The speakers urged more flexibility for program dollars and more discretionary funding that can enhance staff resources.

They suggested adjustments to attendance- and enrollment-based formulas that would allow more small schools to benefit.

Based on the testimony offered, the Committee made the following findings:

- Current state school funding formulas fail to consider the unique circumstances of educating students in a rural setting.
- State funding for services such as school nursing or special education fail to consider the difficulty of providing a wide range of services to schools that are remotely scattered throughout a rural district, or the high cost of providing specialized services available only in larger communities.
- Transportation funding formulas that accommodate urban school districts do not adequately provide for student transportation needs in large, rural districts.
- Rural school districts with declining enrollments are unable to provide adequate services under attendance- or enrollment-based formulas.
- Funding for small, rural high schools makes no provision for honors or advanced placement courses, preventing many students from qualifying for admission to many top universities.
- Block grant funding, as is available to Charter Schools, could offer rural schools the funding flexibility they need.
- A statewide K-12 master plan would provide rural educators with guidelines for appropriate decision making at the local level while also giving local administrators accountability for the success of the plans they develop.

These and other findings are supported by specific recommendations, which may be found throughout this report.

The integrity of California's public school system depends upon the guarantee of a high quality education for all children, regardless of where a student attends school. In assuring that all students, regardless of race, ethnicity, or income level are provided with equal educational services, the State must not ignore the inequities imposed by a funding structure that overlooks the differences in school settings.

This year the Legislature passed Senate Concurrent Resolution 29 (Resolution Chapter 43, 1999), calling for formation of a Joint Legislative Committee on the Master Plan for Education -- Kindergarten through University. The Committee's charge is to draft a blueprint for education in California in the 21st century that supports lifelong learning and raises the standards for educational excellence (see Appendix I).

The Select Committee on Rural Economic Development offers this report to the Legislature to increase the awareness of the unique and challenging issues faced by rural schools. More importantly, this report is offered as a tool for the newly-

formed Joint Committee to use in framing California's master plan, to ensure that the state's goals of excellence and opportunity extend equally to the most remote communities in rural California and to their urban counterparts.

INTRODUCTION

The problems that plague all California schools are amplified in rural communities, where remote locations, crumbling infrastructures, depressed socio-economic factors and limited opportunities are working against teachers and administrators alike. On top of the ordinary challenges that come with trying to give children the best education possible, rural educators must factor in long bus rides, remotely scattered school sites, limited access to technology, and inadequate school facilities among the daily realities.

On April 1, 1999 the Select Committee on Rural Economic Development and the Assembly Budget Subcommittee on Education Funding jointly sponsored a hearing to study the unique problems of funding educational programs in rural schools. Held in Arcata, a coastal town in the First Assembly District, the hearing focused on the hardships imposed on rural schools by California's educational funding structure, which ignores the special circumstances within which rural schools must operate.

Currently in California, school funding decisions are made on a statewide basis. Funding formulas are based on the number of students enrolled, or on the number of Average Daily Attendance (ADA) at each school site. The formulas make sense for schools with higher student populations, but in rural schools where enrollments are often in decline, educators struggle to provide the education to which students are entitled. Even special funding mechanisms for the most remote small schools fail to address the problem of transporting children long distances, often over mountain roads, or the higher percentage of students to be bused. Statewide reductions in school nursing programs have an unexpected impact on children in poor, rural areas, where the school nurse may be the only healthcare provider to whom a child has access.

The range of issues relating to rural school funding is far greater than could be adequately addressed in a single hearing. The agenda for the April 1 event was narrowed from a list of 19 potential topics which included facilities and school construction, access to computers and high tech equipment, school nutrition and hot meal programs, bi-lingual education, remedial education, counseling services, substance abuse, and library services. All of those topics are critical to providing a quality education, and all are more difficult to provide in a rural setting. Given the limited amount of time and the difficulty of covering such a broad array of topics, the agenda was scaled back to address statewide funding mechanisms and how they play out in rural schools.

The hearing on "Funding Rural Education" was co-chaired by Assemblymember Strom-Martin and Assemblymember Sarah Reyes, chair of the Assembly Budget Subcommittee on Education Funding. Assemblymember Ellen Corbett, who sits on the Select Committee on Rural Economic Development, was also in attendance. The hearing format included opening remarks by Assemblymember Strom-Martin, followed by presentations from program directors and school administrators from schools in Del Norte, Humboldt and Mendocino counties. In attendance were representatives of school districts and interested individuals from those counties, as well as Lake County, Siskiyou County, and from Sacramento. A brief question and answer time was offered after each presentation.

The following report is intended to provide the Legislature with a concise summary of the hearing on "Funding Rural Education." It is our hope that the information presented will be used to make careful and informed budget decisions that can ultimately improve the quality of education in California's rural schools.

ANCILLARY SERVICES

School Nursing

Presenter:

Robin Martinelli, Del Norte County School District Nurse

Ms. Martinelli described the difficulties of providing nursing services to 5,300 students housed at 11 school sites throughout Del Norte County. Ms. Martinelli is one of two fully credentialed nurses in the District, who together fill the equivalent of 1.7 full-time employees. There are also six part-time staff providing school health services.

With primary responsibility for six schools, Ms. Martinelli travels as far as 20 miles to reach one school site and serves more than 120 children at each of the outlying schools. Within Crescent City, Del Norte County's only major community, she serves high school, middle school, and two elementary school sites with special day classes and many special needs students. Present within those six schools are two students who require daily blood sugar testing, a paralytic student who requires daily catheterization, a child with a gastronomy tube who requires medication and two feedings per day, along with students with daily medication requirements.

Ms. Martinelli is responsible for training other school staff to handle many of these procedures, and must cover for that staff member should they be absent on a given day. She is on call at all times for medical emergencies.

Ms. Martinelli discussed the challenges associated with mainstreaming, which brings an increasing number of students with severe special needs into the classroom setting. In contrast, support for school nursing staff has decreased over the years.

Calling her work in rural schools "nursing in the real world," Ms. Martinelli contrasted her work to her former experience as a hospital nurse, where patients were essentially "captive" and all factors involved in treating illness were in the provider's control. Educating students about health issues is a large part of a school nurse's work, and a student's home environment, psycho-social environment and maturity level all play a role.

Ms. Martinelli cited the difficulty of gaining access to educational resources that could help her in her work, noting that in-service training for school nurses are held in Sacramento or the Bay Area, limiting both access and affordability. Learning new technologies and procedures is made more difficult because of this.

Students' health needs are directly tied to their educational success, and timely medicating, a change in glasses or help at home to deal with problems such as head lice can make the difference in a child's progress. With a high rate of welfare in the county, many families' priorities are focused on paying rent or buying food, rather than glasses or head lice.

Working to connect families with community resources is one way Ms. Martinelli attempts to meet those needs. Community resources such as the county health department, the local hospital, and various non-profit organizations often can help families meet their childrens' more specialized needs. While networking often provides the key to resolving problems, the time needed to accomplish the connections can be great.

State mandated screenings for hearing and vision impairments and scoliosis are also the responsibility of Del Norte County School District (CSD) nursing staff, as well as a screening of all sixth graders' immunization records in order to comply with new state immunization requirements.

School nurses often serve as community resources themselves, and Ms. Martinelli said she and other nursing staff serve on community advisory committees on health issues. They also conduct health in-service and TB screenings for all school district personnel. Programs such as dental health, nutrition, and awareness of eating disorders are important to students, but cannot be implemented due to staffing and time limitations. Many students would benefit from health counseling, yet the opportunity to build relationships with students is hampered by the limits of a traveling school nurse's rigorous schedule.

Ms. Martinelli said that often the school is a student's primary health care center, and meeting the students' physical and mental health needs should be a priority. Health problems from poor nutrition, illness and frequent absences can all affect a students' ability to perform in class.

FINDING:

Rural School Districts have inadequate numbers of nursing staff to handle the range of special needs and routine health services schools are required to provide.

RECOMMENDATION:

The State must provide funding for adequate school nursing staff.

FINDING:

State mandated health screenings and health service requirements do not address the staffing needed to provide those services.

RECOMMENDATION:

State mandated school health services must include funding to support additional staffing needs.

FINDING:

Rural school nursing staff must travel great distances at significant expense to attend in-service training and to learn about new procedures and equipment.

RECOMMENDATION:

In-service training and educational opportunities for school nursing staff must be offered in more locations throughout the state to reduce school district expense and to give staff greater access, or funding must be made available to accommodate the cost of travel and lodging.

Transportation Services

Presenter:

Jim Estes, Director of Business Services, Fortuna Union High School District

Mr. Estes described the differences between California's 988 urban and rural school districts, noting that 596 districts have fewer than 2,500 students. Of that number, 269 districts have only one school and 127 have only two schools. Within Humboldt County there are 18 one-school districts, seven two-school districts and three three-school districts. Throughout California, approximately one million students are bused annually. California schools operate 21,877 buses and transport students over a total of 364,653,725 miles per year.

In rural areas, such as Humboldt County, Mr. Estes said large geographic areas must be covered to get students to and from school. Fortuna Union High School District (UHSD) covers 2,500 square miles, which contrasts with Los Angeles School District's 170 square mile area. Mr. Estes said the difference between those school districts' cost per mile is substantial, yet the state's transportation formula ignores mileage discrepancies. In districts with larger geographic areas, general fund dollars are relied upon to make up the difference. In order to keep costs down in rural communities, students living within two miles of the school site are not bused. In inclement weather, these students may be more likely to be truant, rather than walk two miles to school in the rain.

Mr. Estes said another problem rural school districts face is finding easily accessible bus driver training. Because training is not available locally, school districts have difficulty finding substitute bus drivers or training new, qualified replacement drivers.

Transporting special education students presents an additional challenge for rural schools on limited budgets. Those students often require buses with special lifts or other accommodations, and many require transportation at times other than regular school hours. Special education transportation draws \$20,000 per year from Fortuna UHSD's general fund.

Current transportation funding mechanisms place rural school districts with large geographic boundaries at a disadvantage, Mr. Estes said. Rural districts are also forced to compete against urban districts for a limited number of apportionment grants. Mr. Estes suggested that future decisions on transportation funding should factor in rural conditions including geographic boundaries, the percentage of students that are bused, and the cost per mile based on those details. He suggested

that rural schools be given priority to receive alternative fuel buses and special consideration to receive grant funding or pilot projects to lessen the impacts of transporting students.

Comments from the audience supported Mr. Estes' suggestions. Pooling resources between districts could help improve transportation services for rural schools, but the state offers no incentive for collaboration. State mandates for increased summer school participation and remedial opportunities will also impact school transportation budgets, but no transportation augmentation was approved with those requirements.

For the smallest schools in certain settings, state mandated school bus specifications are inappropriate. Standard school buses are too big and are not designed to travel on narrow, mountainous roads, especially in inclement weather. Smaller vehicles designed to travel in more rugged conditions would provide safer access for some students, but do not fit the State's criteria. School districts should be able to obtain waivers in order to purchase more appropriate vehicles.

FINDING:

In spite of a smaller student base, small, rural schools spend a disproportionate amount of money transporting students.

RECOMMENDATION:

School transportation funding formulas should factor in the distances traveled and the number of students requiring busing so districts' general funds are not impacted.

FINDING:

Rural school districts have difficulty finding substitute bus drivers because training is not available locally.

RECOMMENDATION:

Bus driver training courses should be offered at rural venues as well as suburban centers, to provide greater access to trainees.

FINDING:

Rural school district budgets are hard-hit by the cost of transporting students long distances to and from school.

RECOMMENDATION:

Rural school districts should be given priority consideration for alternative fuel buses, which are more economical to operate. Rural school districts should be given priority funding for grant programs or pilot project that will lessen student transportation impacts on district budgets.

FINDING:

By pooling transportation resources, rural school districts could improve transportation services.

RECOMMENDATION:

The state should provide incentives for school districts to collaborate on transportation services when it would be in their best interests.

FINDING:

State mandates for summer school and remedial programs do not address the additional transportation services that accompany those additional programs.

RECOMMENDATIONS:

State mandates for summer school and remedial programs should include funding augmentations to support additional transportation needs.

FINDING:

Tiny schools in remote or rugged environments could benefit from the use of alternative vehicles that are better suited to the area's terrain and potential driving conditions.

RECOMMENDATIONS:

Small school districts should be able to obtain waivers that allow them to purchase vehicles appropriate to their needs.

FUNDING FLEXIBILITY

Categorical Reform/Funding Flexibility

Presenter:

James Scott, Ed.D., Superintendent of Eureka City Schools

Funding flexibility is what rural schools need most, Dr. Scott testified. He said the public perception that more money is flowing into the schools is actually true, but said that most new funding is restricted. Unrestricted cost of living adjustments (COLAs) are small and do not cover additional costs of implementing many state-mandated programs. He cited the example of summer school programs, for which state funding formulas would cover only 95 of the district's 1,800 participating K-6th grade students.

Dr. Scott said that state mandates fail to include the necessary funding component to implement new programs. He gave the example of summer programs for remedial education and enrichment that are mandated by the state. The district loses money due to the cost of transporting students, but has no alternative but to provide the service. He said that some special program grants come with so many restrictions, at times requiring 99% teacher participation, that districts find them impossible to implement. If program grants don't provide funding for program staffing, the district may not even pursue the funding.

Dr. Scott contrasted his district's situation with that of Charter Schools, which receive block grants and have substantial freedom over how funds are utilized. He said his district would like to blend categorical funds in order to derive greater benefit, but the State won't allow it. With Eureka City Schools' interactive, community based process, Dr. Scott said the district was just as involved as a charter school, but the district still is prevented from having the Charter School's funding flexibility.

Expectations upon teachers and staff have never been greater, Dr. Scott said. He said fiscal resources, facilities resources, and human resources are all being depleted by increasing program expectations. He said that program goals and criteria seem to change annually. In 1997-98 he said staff was required to evaluate students on a range of multiple criteria that placed an extreme burden on staff. He said the state requirements often feel like "hoops" staff must jump through, and

that school personnel feel as though they're working to perpetuate a bureaucratic system they have no connection to.

The end result is that time is taken away from the students. He expressed concern over the fast-changing demands for professional development, citing the Crosscultural, Language and Academic Development (CLAD) certification as one program that calls for on-going training. Dr. Scott said schools lack funding for additional staff development days. Issues beyond core curriculum, such as school safety and student health must also be addressed during staff development time.

Dr. Scott recommended the State fully fund a minimum 190-day school year for teachers and allow districts to negotiate individually for any days beyond that number. He also recommended that funds should be made available to schools with fewer strings attached.

Dr. Scott said a state-developed K-12 master plan would give coherence to the issues schools are asked to address, as well as provide a forum to allow dialogue and further development of ideas. He suggested the master plan include teacher input, as well as adequate budgeting requirements for implementation. He said the master plan should allow appropriate decision making at the local level, making local administrators accountable for the success of the plans they develop.

Dave Geck, Lake County Office of Education's assistant superintendent of programs and services, noted that differential COLAs were a poor means of resolving budget issues. Both Mr. Geck and Dr. Scott agreed that site grants were a more effective means of addressing funding issues.

FINDING:

Unrestricted COLAs are inadequate to cover schools' discretionary budgetary needs.

RECOMMENDATION:

Schools need greater COLAs or other sources of discretionary funding in order to meet program funding shortfalls.

FINDING:

State mandated programs do not provide the funding to cover staff or the necessary support services, such as transportation or administrative time, to effectively implement those programs. Some program grants come with such onerous reporting and accounting requirements, that schools are unable to implement the associated programs.

RECOMMENDATION:

State mandates should provide funding for all necessary components of program implementation. Program grants should come with fewer restrictions to allow easier implementation of new programs.

FINDING:

Charter schools that receive block grant funding have more flexibility to implement programs than other schools.

RECOMMENDATION:

Public school districts should benefit from some of the same funding flexibility that Charter schools have.

FINDING:

External program requirements, such as multiple criteria evaluations, drain staff resources and take time away from students. External requirements that change frequently also cause on-going stress for school staff.

RECOMMENDATION:

External program requirements should be designed to address staffing limitations as well as to evaluate student success, and should remain consistent in order to help school districts comply.

FINDING:

Current allowances for staff development are inadequate to cover all the issues that must be covered.

RECOMMENDATION:

The state should provide full funding for a 190-day school year to allow for additional staff development days.

FINDING:

The State lacks a K-12 master plan to provide an educational context for all California schools.

RECOMMENDATION:

The State should develop a K-12 master plan that includes input from teachers and adequate budgetary considerations to fully implement programs. The plan should allow for appropriate decision-making at the local level and make decision makers accountable for program success.

Class-Size Reduction

Presenter:

Walt Hanline, Ed.D., Superintendent of Del Norte County Office of Education and Crescent City School District

Dr. Hanline said Class Size Reduction (CSR) makes sense from both an educational and political standpoint. Research supports the beneficial results of smaller classes, he said, and while 15 or fewer students to a class would be preferable, 20 is good. He noted the correlation between smaller classes and improved psychological and social health of students. Smaller classes create a better learning environment and as well as help teachers.

Dr. Hanline said the State's funding of California schools falls between 37th and 41st in the nation in per-pupil spending and CSR is not adequately funded anywhere. The current formula only supports a beginning teacher's salary. He said the money to support smaller classes actually comes from the higher grades. Students from 4th through 8th grades are at a critical point in their psychological and emotional development and would be helped by smaller classes. The State must provide funding to reduce these grades, including teacher salaries, supplies and other needs in the formula.

Dr. Hanline said the current CSR funding formula for 20.4 students per class is unrealistic and restrictive for smaller schools. Smaller schools can't load classes at 20 students to keep the ratio down. Often they are forced to maintain classes at 18 or 19 students, resulting in lost funding. A CSR limit of 21 would be more workable for smaller schools.

The State should allow flexibility within the classroom when a school has too many in one grade level. Often smaller schools are forced to move students into a combined grade class in order to meet CSR requirements, to the detriment of the older students. CSR limits should increase to 25 students under these circumstances. Teachers need additional training on how to work with small groups to address students' emotional and psychological health.

Small school districts do not have staff to apply for grant funding and funds disbursed through grants are often inequitable, Dr. Hanline said. He suggested funds be given to local schools to use according to their own program needs. He said schools should be the conduit for Healthy Start and Necessary Small School funding. With local administration, the Necessary Small School formula could be

redefined in order to include many necessary schools which fail to meet current Necessary Small School criteria. He also noted that Necessary Small Schools aren't allowed to participate in CSR funding.

FINDING:

Students from 4th through 8th grades are at a critical point in their psychological and emotional development and would be helped by smaller classes.

RECOMMENDATION:

The State must provide funding to reduce class size for the 4th through 8th grades, and must include salaries, supplies and other needs in the formula.

FINDING:

The current CSR funding formula for 20.4 students per class is unrealistic and restrictive for smaller schools.

RECOMMENDATION:

The CSR limit for smaller schools should be raised to 21 students per class.

FINDING:

The state should allow flexibility within the classroom when a school has too many students in one grade level.

RECOMMENDATION:

A CSR limit of 25 should be allowed when a small school has too many students in one grade level.

FINDING:

Small school districts do not have adequate staff to apply for grant funding and funds disbursed through grants are often inequitable.

RECOMMENDATION:

Funds should be given to local schools to use according to their own program needs. Schools should be the conduit for Healthy Start and Necessary Small School funding.

Low-Wealth School Districts

Presenter:

Paul Tichinin, Superintendent, Mendocino County Office of Education

Superintendent Tichinin described the economies of scale in funding rural schools, saying many rural schools were not only low-wealth schools, but also low resource and high needs schools. The "low-wealth" designation indicates schools that fall below the statewide average in school funding. Funding shortfalls are hard to recover when students fare poorly on standardized tests. He asked how school staff could take the extra time needed to develop a consortium when there was no time to compete for grant funding?

The State must fully fund rural school deficits, he said. The State must end the practice of mandating program budgets and then providing funding after the fact. A K-12 master plan is critical and would allow schools to hold the State accountable for program support. Mr. Tichinin said a master plan would make it easier for rural schools to compare their efforts to a standard, giving them data to use when asking the Department of Education to provide the resources to achieve their goals. He added that the rules and criteria must not change annually.

Mr. Tichinin explained that low-wealth school districts historically had a low assessment value, meaning there was less money available than in wealthier districts. The low-wealth formula was designed to raise the revenue limit for these schools to the state's average, in order to meet minimum standards. Under the current "Equalization of Poverty" program, schools are funded to meet an average revenue limit, yet the formula still fails to provide adequate services for students. He said the inequities have been demonstrated through two studies, but the State has not rectified the situation.

He said a recent report by the Legislative Analyst's Office addressed the needs of low wealth schools in discussing the need for K-12 reforms. The report called for a long-term commitment to standards-based education. Mr. Tichinin said rural and low-wealth schools could not comply without a funding augmentation from the State.

The State needs to bring schools in line with the national average, and to give schools the resources to meet student needs. He said schools should be rewarded for providing services under such difficult conditions.

Superintendent Louis Bucher, of the Humboldt County Office of Education, added that the problem of funding rural schools is compounded by declining enrollments. As AFDC (Aid to Families with Dependent Children, or welfare) rolls decline, causing families to move away in hopes of finding work, Average Daily Attendance (ADA) in rural schools drops. As student numbers fall, schools receive less funding and have fewer resources available to them. Schools are forced to offer services with fewer staff on hand to provide them. With fewer aid recipients enrolled, he said small schools also lose access to Title I funding.

Dr. Bucher added that schools are still working to implement last year's educational reforms, which included additional record-keeping, and other new requirements. With such difficult new requirements to implement, schools need support and flexibility to comply.

FINDING:

Low-wealth schools also suffer from low resources and high needs. Rural and low-wealth schools suffer from frequent funding shortfalls and have a difficult time making up deficits.

RECOMMENDATION:

The State must fully fund rural school deficits, and program funding must be provided up front, rather than after a program has been carried out.

FINDING:

A K-12 master plan would make it easier for rural schools to compare their efforts to a state standard.

RECOMMENDATION:

The State must develop a master plan for K-12 education.

FINDING:

The State's low wealth, or "Equalization of Poverty" formula funds schools to an average revenue limit, yet still fails to provide adequate services for students.

RECOMMENDATION:

Low-wealth formulas need to consider the additional inequities of resource shortages and equity in services for students.

FINDING:

Declining enrollments compound the issue of funding and resource shortages in rural schools.

RECOMMENDATION:

State formulas must address the issue of declining enrollments in rural schools to assure that adequate services and funding remain in place to serve remaining students.

Necessary Small School Funding

Presenter:

Susie Jennings, Associate Superintendent, Southern Humboldt School District & Principal, Ettersburg and Whitethorn Schools

Associate Superintendent Jennings described the formula for funding Necessary Small Schools (NSS). These small schools are deemed "necessary" by virtue of their being so remote that students could not be reasonably bused to larger school facilities. NSS funding is allocated on a 'per unit' basis, with schools receiving \$95,600 per unit. At the elementary level (Kindergarten through 8th grades) units are defined in increments of 24 students. At the NSS high school level, schools are funded at 4 units for 20 or fewer students, and receive an additional unit for each additional 20 students. Ms. Jennings said the formula covers only program basics, and does not account for facilities maintenance. NSS funding is not based on actual attendance, but rather upon average daily attendance (ADA).

Ms. Jennings said the biggest challenge for small schools was the discrepancy between NSS funding and Class Size Reduction (CSR) funding. NSS funding requires 24 ADA per classroom, while CSR funding allows only 20 students (actual enrollment). CSR funding brings in additional dollars, but often these smallest schools must create oddly-configured classes, sometimes combining students from two or even three grade levels in one classroom, to meet CSR enrollment requirements.

Ms. Jennings recommended small schools be given more flexibility in implementing CSR when there is only one classroom per grade. CSR requirements should be consistent with NSS requirements as well. She noted the difficulty of achieving ADA criteria under new requirements that disallow counting excused absences. She said students in remote schools often have a full day's travel to get to doctor appointments.

Grants and entitlements based strictly on ADA often fail to make a difference for the smallest schools, she said. GATE (Gifted and Talented Education) funding based on identification of 2% of the students benefits only one student in a school of 50. Basing funding for instructional materials on ADA does not cover classroom materials, such as teacher support materials or teaching kits. This creates a special burden for multi-grade classrooms, where several kits, at costs of up to \$400 per grade level, may be needed.

Block grant funding works best for small schools, Ms. Jennings stated, noting that a library grant received by her school in 1998 was very beneficial. Block grants also help schools purchase equipment, such as copy machines, computers and laboratory equipment. Ms. Jennings urged the state to set minimum funding levels for small school grants to make them more effective.

Ms. Jennings said NSS funding for high schools is so inadequate for upper grades that Southern Humboldt has no Necessary Small High Schools. NSS supports only the most basic high school program, and provides no funding for foreign languages, fine arts, or vocational education classes. These small schools have just as difficult a time funding extracurricular activities, and advanced placement (AP) classes are so hard to maintain that they are seldom offered.

Bob Morris, of Dunsmuir Unified High School District, in Siskiyou County, said his school conducts AP courses over the Internet. Although the practice makes it easier for smaller schools to offer advanced courses, he said it can be difficult to keep students logged on to the correct site, and a credentialed teacher must be present for the class to be valid. Some universities now require grade point averages (GPA) above 4.0 for acceptance, prompting high schools to increase the GPA for a "straight A" student to 4.3. Digital high schools and other technological advances promise AP opportunities for students where such technology is available.

FINDING:

Necessary Small School funding supports only the most basic educational programs for rural students. NSS funding for high schools allows for no courses such as languages, arts, and advanced placement.

RECOMMENDATION:

Schools meeting NSS requirements need additional funding to go beyond the basics, and NSS high schools must be able to provide foreign language courses, fine arts, extracurricular activities, and advanced placement courses.

FINDING:

Schools benefiting from Necessary Small School funding, based on a ratio of 24 students to a classroom, are unable to take advantage of Class Size Reduction funding, which is based on a ratio of 20 students per classroom.

RECOMMENDATION:

Necessary Small School funding criteria should be made consistent with Class Size Reduction funding, so small schools may benefit from both programs.

FINDING:

Funding formulas for Necessary Small Schools and Class Size Reduction are restrictive to small schools. Class Size Reduction criteria are unrealistic for the smallest schools, where unusual combinations of grade levels may be placed in one classroom in order to fit CSR requirements.

RECOMMENDATION:

The smallest schools with few classrooms need flexibility to implement Class Size Reduction, and to have a lower ADA.

FINDING:

Grants and entitlements based strictly on ADA have little impact on the smallest schools.

RECOMMENDATION:

Grants and entitlements should have minimum funding levels to make a positive impact on school environments.

FINDING:

Funding the purchase of instructional materials by using ADA does not allow for purchase of classroom support materials or teachers' kits in small schools.

RECOMMENDATION:

Funding for instructional materials must include all necessary support materials. Block grant funding provides more flexibility for small schools.

FINDING:

Students in Necessary Small High Schools seldom have access to advanced placement or honors courses, which often prevents them from qualifying for the best universities.

RECOMMENDATION:

Necessary Small High Schools need financial incentives to provide advanced placement courses through virtual high school opportunities over the Internet, through video conferencing, or other means.

ADA Funding

Presenter:

Jim Knerl, Vice Principal, Pacific Union Elementary School

Mr. Knerl described the difficulties schools have faced since the 1998 passage of SB 727, which revised the way average daily attendance (ADA) was determined. Prior to SB 727, attendance rolls were boosted by counting unexcused absences as excused absences, or by counting excused absences as being in attendance. He said the practice raised questions of accuracy and honesty, as well as the issue of actual attendance having an impact on learning.

SB 727 removed excused absences from the ADA apportionment. Mr. Knerl said the new law places pressure on schools to work for higher actual attendance rates in order to boost funding. He said the result is that districts are forced to pursue absences more aggressively and are developing incentives to encourage students not to miss school.

Mr. Knerl said the State uses the base year of 1996-97 to figure a district's actual attendance in order to compensate for the funding lost from excused absences. In districts with consistent or rising enrollment, funding would be constant or increased. For districts with enrollments under the base level, funding would decline. He said under the new formula district funding may be affected by flu epidemics, as well as enrollment declines.

Mr. Knerl said the unanticipated results of SB 727 include:

- 1) a decline in parents' willingness to write excuses or contact schools when their children are absent,
- 2) schools with lower absence rates having a harder time increasing revenues,
- 3) a failure of the apportionment to correspond with school staffing needs, which are based on school enrollment,
- 4) lost revenues in many rural schools due to declining enrollments, and
- 5) pressure on schools to maintain a constant number of Independent Study Contracts in order to keep enrollment numbers equal to the '96-'97 baseline, which included all Independent Study Contracts, regardless of their duration.

To remedy those concerns, he recommended that Independent Study Contracts under ten days be kept in the ADA apportionment, rather than excluding those shorter contracts as is currently proposed. Mr. Knerl recommended the Department of Education give broader scrutiny of the statewide ADA increase from early 1999, exploring causes such as immigration and other factors as

possible causes, rather than assuming schools are inaccurately reporting Independent Study Contracts.

Mr. Knerl also recommended the state consider alternative models for ADA apportionment, such as the model used in Kansas, where ADA is determined by school attendance on one day per year. Other states utilize two or three days to determine ADA apportionments.

FINDING:

The new ADA apportionment based on the 1996-97 actual attendance baseline fails to consider the possibility that many rural schools have declining enrollments or the impacts of widespread illness on attendance levels.

RECOMMENDATION:

The ADA baseline must be adjusted so schools with declining enrollments are not negatively impacted. ADA apportionments must not be reduced because of temporary factors, such as of widespread illness.

FINDING:

Schools feel pressure to maintain the number of Independent Study Contracts that were included in the '96-'97 baseline in order to receive full ADA apportionment.

RECOMMENDATION:

Rural schools must be allowed to include all Independent Study Contracts, regardless of duration, when figuring ADA apportionments. Rather than assume schools are falsely reporting Independent Study Contracts, the State must consider alternative causes for statewide ADA increases, such as immigration.

FINDING:

By removing excused absences from the ADA apportionment, schools feel pressured to more aggressively pursue absent students.

RECOMMENDATION:

School districts need additional staffing resources to pursue truants and to improve attendance rates through other means, such as development of attendance incentives.

FINDING:

Other states base ADA funding on a sampling of attendance during a given school year, using one, two, or three days' attendance as the baseline, possibly providing a more accurate count than California's use of 1996-97 figures.

RECOMMENDATION:

California should consider basing ADA apportionments on attendance sampling.

Special Education Services

Presenter:

Ruth York, Director of Educational Services, Del Norte County Office of Education

Ms. York said today's special education programs serve students with more severe problems and do so with less funding and under more mandates than ever before. In Del Norte County, special education programs alone encroach on the county schools' office general fund by more than \$200,000. Ms. York said many government programs are good ideas, but are only partially paid for by the government.

California's use of ADA for funding special education, as established through AB 602, impedes counties with higher than average numbers of special education students, such as Del Norte. The presence of Pelican Bay State Prison has a clear impact on the community, she noted, correlating with higher rates of substance abuse, child abuse, and high unemployment.

Transportation for special education students is another huge expense for small school districts. Students often need transportation to counseling and mental health services. Specialized services for these students are not available in rural communities. From Crescent City, the nearest providers of some services are in Ashland, Oregon or in Redding, making the transportation costs exorbitant. Ms. York gave several examples of cases where the schools have gone to great expense to serve special needs children. She described the school transporting a deaf child to the Bay Area for a hearing evaluation and covering the cost of the entire trip; and another case where a Del Norte school spent over \$30,000 a year to provide special services available only in Redding, nearly 300 miles away, for an emotionally disturbed child. Ms. York said there was no way to provide these services without reducing what was available to other students.

Special education teacher recruitment was another issue of concern, as was the difficulty of obtaining a special education credential. Ms. York said the cost of providing special equipment for special needs children is also prohibitive. She cited a 1999 Supreme Court ruling that requires schools to provide full time nursing for certain students.

FINDING:

Special education programs are serving more severe needs with less funding and under more mandates than ever before.

RECOMMENDATION:

State and federal mandates to serve more special needs students and to provide greater levels of services must include full funding to support those services.

FINDING:

ADA funding for special education fails to consider schools with disproportionate numbers of special needs students or the higher costs of providing services from rural school sites.

RECOMMENDATION:

Special education funding must correlate with actual numbers of special needs students within a given school, and consider the availability of services.

FINDING:

Rural school districts spend disproportionate amounts on transportation for special needs students. Rural schools have much greater distances to cover in order to access specialized services for students.

RECOMMENDATION:

The State should provide additional funding to help rural schools meet special education transportation needs.

FINDING:

Rural schools are poorly equipped to comply with mandates that increase staff time with special needs students.

RECOMMENDATION:

Mandates that increase staff time with special needs students, such as the 1999 Supreme Court ruling that schools must provide full time nursing when needed, must be fully funded.

FINDING:

Rural schools have a difficult time recruiting special education teachers or obtaining special education training for those seeking credentials.

RECOMMENDATION:

The State must provide incentives for teachers to obtain special education credentials and for credentialed special education teachers to work in rural schools.

Staff Development

Presenter:

Walt Hanline for Doug Stark, Associate Superintendent of Curriculum and Instruction, Del Norte County Office of Education

Dr. Hanline presented Mr. Stark's comments regarding staff development needs in rural schools. Time for staff development efforts was the most pressing concern for rural schools. The 50 percent cut in staff development days, resulting from adoption of the Staff Development Buyback Program, hit rural schools hard. He recommended staff development days be strategically dispersed throughout the year, and said additional days are needed to enhance professional development.

The Miller-Unruh Reading Specialist Program is beneficial in providing 50% funding for a staff development provider and teacher coach position. Need for the program is expanding as more inexperienced teachers are hired, and as new methods for teaching reading are developed. More school districts could benefit from the program if additional funding were made available.

Programs like "Goals 2000 Reading Initiatives" should have clear standards for districts to meet through staff development efforts. The current "Approved Provider" approach is very restrictive, with "Approved Providers" not readily available.

New state programs must come with adequate resources. Travel expenses from Del Norte County to staff development activities in Sacramento or San Francisco are the same as for a trip to the East Coast, and travel time is equally prohibitive. The Department of Education should rotate training locations out into remote areas, making it easier for rural school staff to fully participate.

FINDING:

Rural schools were severely impacted by reductions in staff development days resulting from the Staff Development Buyback Program. Current staff development levels impair school districts' ability to meet increasing professional performance expectations.

RECOMMENDATION:

Schools need additional staff development funding in order to meet growing professional demands on educators.

FINDING:

The *Miller-Unruh Reading Specialist Program* provides an important staff development resource for schools, but is not adequately funded.

RECOMMENDATION:

The State must increase funding for the *Miller-Unruh Reading Specialist Program* so more schools can benefit.

FINDING:

The *Goals 2000 Reading Initiatives* Approved Provider approach to staff development in reading makes it difficult for schools to obtain training in the program.

RECOMMENDATION:

Programs like *Goals 2000 Reading Initiatives* should have standards to be met in staff development, rather than relying on an Approved Provider to train staff.

FINDING:

Remotely-located schools must spend hundreds of dollars on airfare to attend staff training in Sacramento or San Francisco. Drive time to these locations is equally prohibitive.

RECOMMENDATION:

The Department of Education must provide staff training opportunities in outlying communities where educators from remote schools could have easier access.

CONCLUSION

The Select Committee on Rural Economic Development and the Assembly Budget Subcommittee on Education Finance studied the problems of funding rural education in order to better inform California policymakers about how education funding decisions affect rural schools.

Specialized school services, such as school nursing and special education, are playing an increasing role in the classroom, yet such programs are understaffed and inadequately funded in rural communities. The range of requirements on these professionals increases each year, yet new mandates seldom come with even partial funding. The State must re-evaluate funding for ancillary services, taking into account the breadth of services provided and the distances these providers must travel to serve rural students.

The transportation needs of rural school districts are very different from those of urban districts, and should be funded as such. School transportation formulas must consider the distances covered, as well as the higher proportion of students needing transportation. Rural schools should be given priority for alternative fuel buses, or should have access to transportation grant funding, to reduce the impacts on school district budgets.

Although mechanisms exist to help the smallest schools remain viable, clearly educators within Low-Wealth districts and Necessary Small Schools feel a great strain on their resources. Current funding levels provide for only the most basic courses, and courses such as music, art, and foreign languages are rarely available. Educators express concern that students graduated from these schools cannot compete at the university level with students from larger schools because they haven't had the advanced level courses that are becoming prerequisite. The State must find a way to address this inequity, either through increased funding or the use of technology, in order for all students to have an equal opportunity.

Rural schools need more flexible funding mechanisms. Categorical program funding comes with too many restrictions, and even some grant programs contain such onerous requirements that a small school may find the funding impossible to use. Funding COLAs are too small to address additional staffing needs. In the smallest schools, unyielding Class Size Reduction requirements have prevented students from benefiting. California's new ADA apportionment formula also

stands to harm rural schools with falling enrollments. Rural schools need funding with fewer strings attached, and with more flexibility built in.

These and the other recommendations found throughout this report are offered as part of the solution to the plight of California's rural schools. It is the Committee's hope that this report will help guide the Legislature in recognizing the unique needs of rural schools. As a tool to be used by the Joint Committee on the Master Plan for Education—Kindergarten through University, this document will prove useful in framing California's education blueprint as it relates to rural education. Armed with this report, the Legislature has the evidence to push for more appropriate and creative funding mechanisms that will enable students from even our smallest schools to have same educational opportunities afforded to other students in the state.

APPENDIX I

Text of Senate Concurrent Resolution 29

Senate Concurrent Resolution No. 29

RESOLUTION CHAPTER 43

Senate Concurrent Resolution No. 29—Relative to education master plan.

[Filed with Secretary of State May 27, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

SCR 29, Alpert. Education master plan.

This measure would resolve that a joint legislative committee be established to develop a "Master Plan for Education-Kindergarten through University" to provide a blueprint for education in California in the 21st century, to support lifelong learning for all Californians, and to serve as an example to other states by raising the standard for educational excellence.

WHEREAS, Education is the most important function of the State of California and is essential to the cultural, political, and economic health of the state and the nation; and

WHEREAS, California's population is rich in ethnic and cultural diversity, which is a resource that should continually be developed to ensure the ongoing success of the state and its residents; and

WHEREAS, Over the past 25 years, California has developed an extraordinary educational system, from preschool to the postgraduate level, with an unprecedented investment of public and private moneys and the energy and commitment of countless individuals; and

WHEREAS, In 1960, California established a master plan for the development, expansion, and integration of the facilities, curriculum, and standards of higher education in junior colleges, the California State University system, the University of California system, and other institutions of higher education in the state to meet the needs of the state during the 10 years following the master plan's establishment; and

WHEREAS, Since the adoption of the Master Plan for Higher Education in California, the master plan has been reviewed periodically by the Commission for the Review of the Master Plan for Higher Education, the Coordinating Council for Higher Education, the Joint Committee for Review of the Master Plan in Higher Education, and the California Postsecondary Education Commission; and

WHEREAS, Many members of the education community believe a master plan for kindergarten and grades 1 to 12, inclusive, is necessary due to the major policy initiatives enacted in recent years,

and that coordination, guidance, and policy direction toward a framework for understanding the roles of the state and school districts in governing and financing the education system is critical; now, therefore, be it

Resolved by the Senate of the State of California, the Assembly thereof concurring, That a joint committee composed of nine Members of the Senate, to be appointed by the Senate Rules Committee, and nine Members of the Assembly, to be appointed by the Speaker of the Assembly, be established; and be it further

Resolved, That the joint committee develop a "Master Plan for Education-Kindergarten through University" to provide a blueprint for education in California in the 21st century, to support lifelong learning for all Californians, and to serve as an example to other states by raising the standard for educational excellence; and be it further

Resolved, That the joint committee and its members shall have and exercise all of the rights, duties, and powers conferred upon investigating committees and their members by the Joint Rules of the Senate and the Assembly as they are adopted and amended from time to time, which provisions are incorporated herein and made applicable to this committee and its members; and be it further

Resolved, That the Senate Committee on Rules may make money available from the Senate Operating Fund, as it deems necessary, for the expenses of the joint committee and its members. Any expenditure of money shall be made in compliance with policies set forth by the Senate Committee on Rules and shall be subject to the approval of the Senate Committee on Rules; and be it further

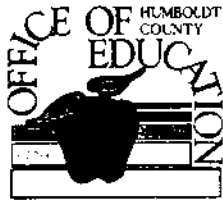
Resolved, That the joint committee shall, within 15 days of authorization and consistent with the normal annual appropriation process for funding legislative committees, present its initial budget to the Senate Committee on Rules for its review, comment, and approval; and be it further

Resolved, That the joint committee is authorized to act until November 30, 2000, at which time the committee's existence shall terminate; and be it further

Resolved, That the joint committee shall submit a report at the end of the legislative session to the Legislature on its activities.

APPENDIX II

Presenters' Handouts



LOUIS D. BUCHER, Ed.D., Superintendent
GARRY T. EAGLES, Ph.D., Assist. Supt./Admin. & Personnel
SUSAN B. GRINSELL, CPA, Assistant Supt./Business

901 Myrtle Avenue, Eureka, California 95501-1219

707.445-7000

FAX: 707.445-7143

www.humboldt.k12.ca.us

April 1, 1999

MEMORANDUM

TO: Assembly Select Committee on Rural Economic Development
Assembly Budget Subcommittee on Education

FROM: *LDB* Louis D. Bucher, Superintendent of Schools

SUBJECT: DECLINING ENROLLMENT

Most, if not all, rural schools in Northern California are experiencing declining student enrollments. These declines in enrollment are beginning to have severe financial implications for our school districts. To assist in ameliorating some of the financial problems associated with declining enrollment, I recommend the following for your consideration:

1. Direct the Department of Education to allow school districts to consider necessary small schools separately for growth or declining enrollment.
2. Direct the Department of Education, Finance and the Legislative Analyst to review the fiscal effects of the current declining enrollment funding formula and recommend appropriate changes.
3. The Legislative Analyst should be directed to study the differences between the enrollment funding formulas of other states and to recommend a fiscally neutral means to convert California school funding to enrollment with appropriate programs fund increased outreach programs to improve attendance.

LDB:bd

**HUMBOLDT COUNTY
STUDENT POPULATION CHANGES
1997-98/1998-99**

NORTHERN HUMBOLDT AREA

DISTRICT	1997-98 CBEDS	1998-99 CBEDS	GROWTH/DECLINE	% CHANGE
Northern Humboldt High	2,006	2,056	50	+2.49
Arcata	944	966	22	+2.33
Big Lagoon	55	50	< 5 >	< 9.09 >
Blue Lake	242	220	< 22 >	< 9.09 >
Fieldbrook	118	129	11	+9.32
Green Point	21	14	< 7 >	< 33.33 >
Jacoby Creek	416	383	< 33 >	< 7.93 >
Maple Creek	18	22	4	+22.22
McKinleyville Union	1,518	1,438	< 80 >	< 5.27 >
Orick	74	69	< 5 >	< 6.76 >
Pacific Union	638	594	< 44 >	< 6.90 >
Peninsula Union	126	133	7	+5.56
Trinidad	184	160	< 24 >	< 13.04 >
TOTAL NORTHERN HUMBOLDT HIGH AREA	6,360	6,234	< 126 >	< 1.98 >
TOTAL NORTHERN HUMBOLDT "FEEDER" SCHOOL AREA	4,354	4,178	< 176 >	< 4.04 >

EUREKA AREA

DISTRICT	1997-98 CBEDS	1998-99 CBEDS	GROWTH/DECLINE	% CHANGE
Eureka Unified	6,102	5,936	< 166 >	< 2.72 >
Cutten	529	515	< 14 >	< 2.65 >
Freshwater	265	245	< 20 >	< 7.55 >
Garfield	53	54	1	+1.89
Kneeland	54	52	< 2 >	< 3.70 >
South Bay Union	555	575	20	+3.60
TOTAL EUREKA HIGH AREA	7,558	7,377	< 181 >	< 2.39 >
TOTAL EUREKA "FEEDER" SCHOOL AREA	1,456	1,441	< 15 >	< 1.03 >

FORTUNA AREA

DISTRICT	1997-98 CBEDS	1998-99 CBEDS	GROWTH/DECLINE	% CHANGE
Fortuna High	1,215	1,238	23	+1.89
Fortuna Union	808	786	< 22 >	< 2.72 >
Bridgeville	84	83	< 1 >	< 1.19 >
Cuddeback	154	149	< 5 >	< 3.25 >
Hydesville	171	162	< 9 >	< 5.26 >
Lofeta Union	181	168	< 13 >	< 7.18 >
Rio Dell	357	329	< 28 >	< 7.83 >
Rohnerville	563	577	14	+2.49
Scotia Union	361	370	9	+2.49
TOTAL FORTUNA HIGH AREA	3,894	3,862	< 32 >	< .82 >
TOTAL FORTUNA "FEEDER" SCHOOL AREA	2,679	2,624	< 55 >	< 2.05 >

SOUTHERN HUMBOLDT UNIFIED

DISTRICT	1997-98 CBEDS	1998-99 CBEDS	GROWTH/DECLINE	% CHANGE
Southern Humboldt Unified	1,538	1,446	< 92 >	< 5.98 >

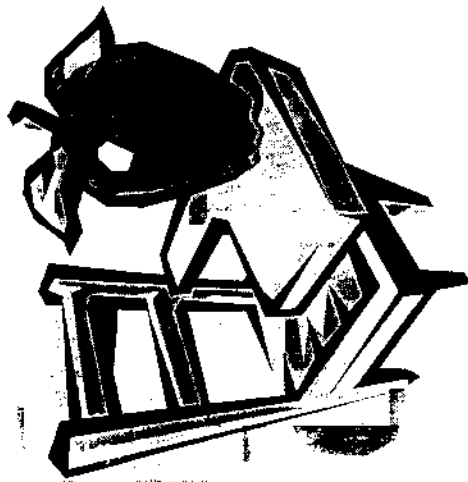
KLAMATH TRINITY UNIFIED

DISTRICT	1997-98 CBEDS	1998-99 CBEDS	GROWTH/DECLINE	% CHANGE
Klamath Trinity Unified	1,425	1,299	< 126 >	< 8.84 >

TOTAL HUMBOLDT COUNTY	20,775	20,218	< 557 >	< 2.68 >
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Funding Rural Education Hearing

Committee on Education Sub-Committee



Jim Estes, Business Manager, Fortuna Union High School District

Quick Facts:

- **988** School Districts in California
- **596** Have 2,500 or Less Students : **SMALL/RURAL** Districts
- Of the 596 Districts **269** Are 1 School Districts
- Of the 596 Districts **127** Are 2 School Districts

Quick Facts:

•Humboldt County :

18 One School Districts

7 Two School Districts

3 Three School Districts

Quick Facts:

•Number of Students Bused per year in California:	1,011,074
•Number of School Buses in California School Districts:	21,877
•Total Miles Driven per year:	364,653,725

School Transportation Challenges:

& The Rural School District

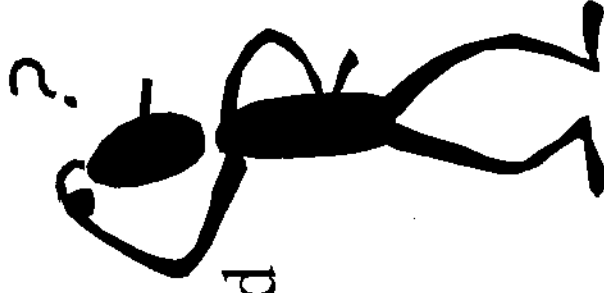
- Large Geographic Areas To Cover
- Encroachment on District General Fund Dollars
- Disproportionate Amount of Cost to Small/Rural Vs.
Large District (*economy of scale*)



School Transportation Challenges:

& The Rural School District

- Substitute Bus Driver Pool and Training Issues
- Special Education Transportation Costs
- Competing With Large Districts for Limited Apportionment Grants



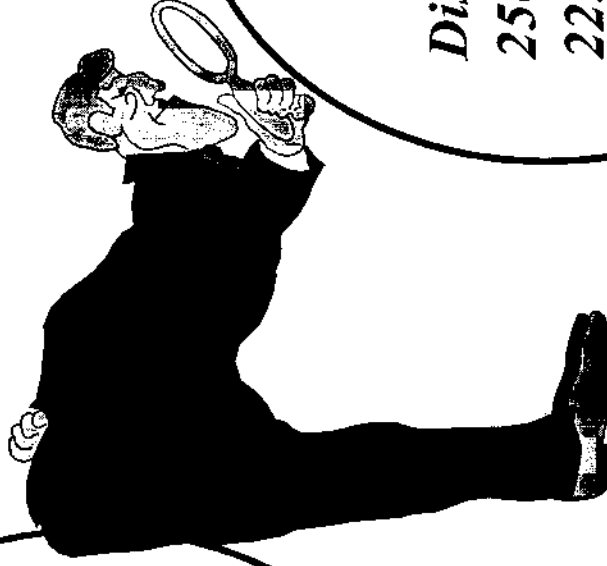
Is It Fair?

District A

5,000 enrollment

12 square miles

14% bused



District B

250 enrollment

225 square miles

85% Bused

Cost Per Mile

Possible Solutions

- Rural School Districts Would Benefit From Receiving Priority for Future State Funds For Alternative Fuel Buses
- Rural School Districts Would Benefit From Funding To Create Regionalized Bus Driver Training Sites

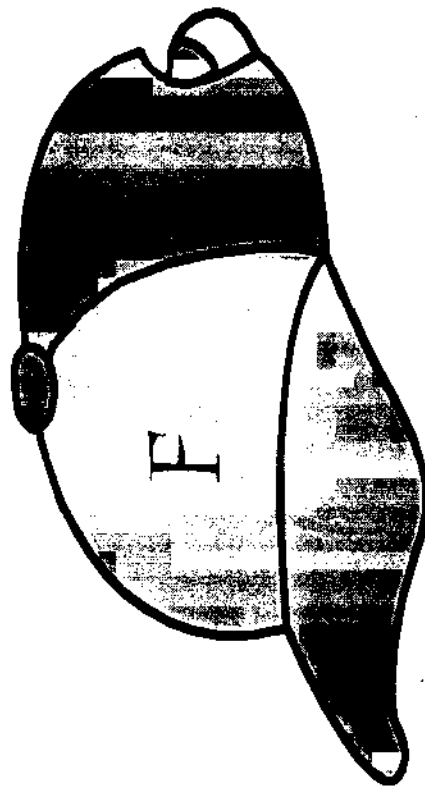


Possible Solutions

- Rural School Districts Would Benefit From Receiving Priority for Future State Funds For Alternative Fuel Buses
- Rural School Districts Would Benefit From Funding To Create Regionalized Bus Driver Training Sites



Questions or Comments



Hearing on Funding Rural Schools
Assembly Budget Subcommittee on Education
Virginia Strom-Martin

Pacific Union School
April 1, 1999
9:00 am - 12:00 pm

11:00 - 11:15 am **ADA Funding/Actual Attendance Requirements**

My name is Jim Knerl and I am the Vice Principal of Pacific Union School. I thank you for recognizing that the educational funding needs of rural school districts may differ from school districts in more populated areas.

I have been asked to address the specific area of ADA Funding since the implementation of Senate Bill 727 which took effect on July 1, 1998 and is currently in operation this school year.

Average Daily Attendance (ADA) is the total number of apportionment student days divided by the number of days taught. For example, if a school had 100 students enrolled and each student attended all 180 days of school for that year, the ADA would be 100 and the school would be entitled to 100% of the ADA apportionment. Obviously, this never happens--illnesses, family emergencies, truencies--all enter the picture and reduce the total attendance and thus reduce the actual ADA apportionment that a school receives.

Prior to the implementation of SB 727, districts concentrated their efforts in two ways to maximize ADA. They utilized personnel to shift as many unexcused absences either into the excused absences category or into actual attendance. Both actions increased their ADA apportionment. A major problem with this arrangement involved the accuracy and honesty of identifying unexcused absences as excused absences. This was true at the district level as well as at the auditing level. In addition, from a philosophical perspective, most people would agree actual seat time has an impact on learning--students learn more when they are in school.

Thus, through SB 727, California became the last state to eliminate including excused absences in the apportionment process of allocating funds based upon ADA. With SB 727, districts are only funded for actual attendance. It therefore, behoves districts to implement strategies to shift both unexcused absences and excused absences into the actual attendance category since that's where the money rests. In addition, in order that districts would not incur a financial shortfall, the state identified the 1996-97 school year as the base year--a district's actual attendance as a per cent of enrollment was used to revise the base revenue limit to compensate a district for loss of excused absences. Therefore, as long as a district's enrollment remained the same and the actual attendance was equal to that of the 1996-97 school year, a district would receive the same funding (ignoring COLA and other funding changes). If a district dropped below that attendance %, funds would be reduced and if the attendance rose above that attendance %, funds would increase.

In local districts that responded to my faxed questionnaire, most districts, including my own, were showing a slight decline, some were running about the same, and only two were showing an increase for the current school year. Most districts indicated that this year's flu epidemic had an impact on their attendance rates. At Pacific Union, up until February, we were running neck and neck with our base year rate. Between February and March, our rate dropped drastically, pulling our total rate _____ below the 96-97 rate.

Most districts have implemented a variety of strategies to maximize attendance--frequently communicating to parents the need for regular attendance (improved learning, improved funding); recognizing students for perfect and/or improved attendance (awards, prizes, special events); increasing efforts to process truancies; increasing efforts with the utilization of Independent Study Contracts. Even with these, districts struggle to keep attendance at their base level.

I would like to describe some concerns that I (and others) have with regard to SB 727, especially as it relates to small rural school districts.

- First of all, since excused absences are not funded, parents are less responsive with providing calls, notes, appearances to excuse absences. This has placed a larger number of absences in the unexcused category resulting in increasing the demands on personnel to determine how aggressive they should pursue truancy issues--determining whether an absence is excused, contacting parents regarding compulsory laws, SARbing students. Small districts have limited personnel to devote to these efforts since those personnel have a multitude of additional responsibilities. Larger districts, on the other hand, have specific personnel that focus exclusively on these issues.

- Second, as was the case with Pacific Union, districts with lower 1996/97 absence rates have a harder time increasing actual ADA and thereby increasing revenues. In a way, it penalizes districts who were working hard at improving its attendance rates up to and including 96/97--before it really started counting.

- Third, districts staff their schools based upon enrollment, not attendance. Therefore, if ADA apportionment drops due to an increase in absences, districts are much harder pressed to meet the staffing expenditures that the enrollment dictated. When you combine this with class size reduction which behoves districts to be conservative when they place students into classes (always a few students below 20 to allow for new enrollees), staffing expenditures are further stretched.

- Fourth, in an area where populations are declining, such as Humboldt County, districts must deal with the lost revenues due to declines in student enrollment. All you have to do is glance through the local papers and you will see how aggressive districts have become in attracting new enrollment. If, in addition, the ADA apportionment drops due to an increase in absences, the financial impact of the loss is more greatly felt. In larger districts and in growing districts, the additional funding for enrollment can ease any losses they may incur with an increase in absences.

- Fifth, the 1996-97 actual attendance included all Independent Study Contracts, whether greater than 10 days or less than 10 days. This now requires that districts be as aggressive in utilizing Independent Study Contracts as they were in 1996-97. If they don't, their actual attendance rates will most likely decline. If the state, as they attempted in 97/98 and as they are currently considering, excludes Independent Study Contracts of less than 10 days from being counted with actual attendance, most districts, including small, rural districts, will see a drop in revenues.

I would like to end my comments with some recommendations to consider:

- First, do not exclude Independent Study Contracts of less than 10 days from being counted in the actual attendance. Not only do ISC provide an educational experience for children away from the school setting, but they were also included in the 96/97 actual attendance which is the basis for establishing the base revenue limits for each district. If you exclude them, then to be equitable, new base revenue limits with their exclusions from the actual attendance in 96/97 should be established.
- Secondly, do not equate the statewide 86,000 increase in ADA that was reported by districts in their P1 reports this year with overly aggressive, cheatful utilization of Independent Study Contracts--as is the contention of the State Department of Education. The number of ISC days that would have to be written, completed and approved would be astronomical to add up to this value. The districts that responded to my faxed questionnaire indicated that they derive from 2-5 ADA for their ISC for the entire year. Obviously, larger districts would generate more, but would it ever reach 86,000. Instead of creating a greater amount of mistrust through the expansion of audits in this area, maybe we should look at other causes, such as the increased enrollment due to immigration or other factors, or the lack of accurate projections on the part of the State Department of Education. Could it be that this is their way of transferring blame for their inability of making accurate projections.
- Thirdly, look at some other possible models for ADA apportionment. For example, in the state of Kansas, September 20th is the day set aside each year to determine each district's ADA. The students in attendance that day create that schools ADA. Kansas is modifying this to establish a second date (in the Springtime) so that two dates will be used. In Nebraska, three dates are identified within the school year and each district can select one of them, the one that maximizes their ADA for apportionment purposes. If a system such as one of these were used, can you imagine the reduction in staffing that would be required to handle this--at both the district and the state level. Why must this be as complicated as the IRS makes everything. We would then be better able to concentrate our efforts on the compulsory education aspects of attendance--that's where we could do the most good for our students.

I would now like to allow members of the audience to respond to comments I have made or to make additional comments relevant to this issue. I now relinquish the floor to them. If there are no comments, I will try my best to address questions you have. I thank you for the opportunity to share my thoughts (and others) with you regarding this issue.

Del Norte County Unified School District
301 West Washington Boulevard, Crescent City, California 95531
Telephone 707-464-0203 Fax 707-464-0228

Superintendent: Walt L. Hanline, Ed.D.

BOARD OF TRUSTEES
Steve Parke
Bob Berkowitz
Faith Crist
Phil Freneau
Bill Parker

State Assembly Member
Virginia Strom-Martin

Dear Ms. Martin,

Thank you for bringing members of your committee to the North Coast to hear about the unique needs of educators, parents and students in this remote corner of California. I would have enjoyed the opportunity to speak to the committee but the pressing business of our district requires that I stay in Crescent City. Please accept this letter as a statement of my concerns and ideas on staff development needs in a small, rural northern California school district.

1. The most over riding staff development need is time. When the Staff Development Buy Back Program was adopted, and the eight staff development days were compressed to four, we felt particularly hard hit. The school year needs to be lengthened and staff development days need to be placed at strategic points in the year. At a time when professional knowledge is expanding and expectations for performance are increasing, we need more time not less.
2. Expansion of the Miller -Unruh Reading Specialist Program is needed. This program off sets the cost of 50% of a teacher who serves as a staff development provider and coach for other teachers. There is a particular need for this type of position now because a) more new teachers are coming out of college not knowing how to teach reading and b) new research and methods of teaching reading are now know known. Experienced teachers need access to this information as well as coaching and support while learning new strategies. The Miller-Unruh Reading Specialist Position could be very helpful in meeting these needs. Unfortunately, the number of positions in the program is limited. Each year when we request one, we are told "...sorry, there are no positions available.."
3. In programs like the Goals 2000 Reading Initiatives, "Approved Providers" are not readily available. Instead of the Approved Provider approach there should be standards that districts are expected to meet when they provide staff development in reading. Then districts would have more flexibility to actually meet the needs of teachers with available resources. We found the Approved Provider approach, particularly when the list of Providers was so small, to be very restrictive.
4. When new initiatives are planned at the state level, adequate resources need to be placed with them so that the job can be done. Please consider this fact: an airline ticket from our community to Sacramento or San Francisco costs as much as a flight to the east coast. Travel to CDE meetings or other staff development opportunities in the two areas referenced above is prohibitive. A ticket from Crescent City to Sacramento or San Francisco costs between \$350 and \$450. Driving to any location considered central (Santa Rosa, Redding or Sacramento takes at least 5 and 1/2 hours. Thus, when we send a teacher to a state meeting, usually two substitute days are required. It would be most helpful to us if meetings were scheduled in Eureka. Then we would only have to drive 86 miles to attend them.

Thank you for considering my ideas and thank you for coming as far north as Eureka to hear how the educators on the north coast are doing. We very much appreciate this effort on your part.

Sincerely,

Doug Stark

Doug Stark
Assistant Superintendent

**ASSEMBLY SELECT COMMITTEE ON RURAL ECONOMIC
DEVELOPMENT**

ASSEMBLY BUDGET SUBCOMMITTEE ON EDUCATION

HEARING ON FUNDING RURAL EDUCATION

APRIL 1, 1999

NECESSARY SMALL SCHOOL FUNDING

Funding Levels

One unit = \$95,600

One unit K-8 = 1-24 students; 2 units 25-48; 3 units 49-72; 4 units 73-96.

Necessary small high school: 1-20 students = 4 units; one additional unit for each additional 1-20 students.

Based on ADA, not enrollment

Funding is sufficient to cover basic program---teacher supported by part-time custodian, secretary, administrator, in addition to utilities and some supplies.

Challenges

Biggest we face K-6: Discrepancy between Necessary Small Schools Funding formula and Class Size Reduction funding requirements.

Necessary Small Schools: Up to 24 ADA in one classroom

Class Size Reduction: No more than 20 enrolled in any classroom K-3

Might force schools to have combination classes which don't make sense educationally or to forego Class Size Reduction funding.

example from Whitethorn School, a typical 3-room K-6 school:

<u>enrollment</u>	<u>without CSR</u>	<u>with CSR</u>	
K----10	Class 1: K---10	Class 1:	K---10
1----11	1---11	19 students	1-----9
2-----8			
3-----13	Class 2: 2----8	Class 2:	1-----2
4-----9	3---13	19 students	2-----8
5-----8			3-----9
6-----12	Class 3: 4----9	Class 3:	3----4
	5---8	33 students	4---9
	6---12		5---8
			6---12

Potential funding for Class Size Reduction model: $38 \times \$880 = \$33,440$

Would be more educationally sound to have some flexibility in Class Size Reduction numbers for schools with not more than one classroom per grade level (most necessary small schools), and to have a lower number of ADA required in the small schools funding formula for class size reduction grade levels.

Other Challenges

More difficult to get required ADA without excused absences---students frequently gone all day for medical appointments since schools are far from offices.

Grants and entitlements based strictly on ADA frequently don't provide enough to make a difference for kids:

- *GATE funding based on identifying 2% of students---one student in a school of 50

- *Instructional materials funding based on ADA doesn't allow for classroom materials, such as a kit or teacher support materials (\$400+++ per grade level) in multigraded classrooms where you need several, even if schools save for several years

Grants with minimum funding levels are a real boost to smaller schools

- *Block grants past two years---computers, copy machines, lab equipment, etc. can cost as much for a small school as for a larger school

- *Library grant last year (this year's grant is based on ADA---about enough for one book per student, which isn't a tremendous help for a library in a school of 50 students)

High Schools

- *Funding is enough for basic classes, but unless teachers have multiple credentials it is difficult to fund classes such as languages, fine arts, and vocational education.

- *Extracurricular activities are difficult to fund.



Lake County Office of Education

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RURAL SCHOOL TRANSPORTATION ISSUES

Bus Replacement

Pre-1977 school buses do not comply with Federal Motor Vehicle Safety Standards. While there have been several bus replacement efforts made that have removed from school transportation more than 50 percent of the pre-1977 buses being used to transport California's school children, the Department of Education estimates that there are still approximately 1,000-1,500 pre-1977 school buses presently in use. The budget contains an annual appropriation of approximately \$4.2 million to assist small districts in this replacement. We estimate it will take another decade to replace the pre-1977 buses with an annual \$4.2 million appropriation.

Home-to-School Transportation

Currently, school districts are not receiving adequate home-to-school transportation funding. On average, school districts receive 60 percent reimbursement of approved costs. We need to equalize home-to-school transportation to reduce this \$300 million deficit. Rural areas have higher per pupil transportation costs and need to have equalization funding to meet those higher needs.

Special Education Transportation

Federal and state law mandate specified special education students receive transportation services. Currently, school districts and county office reimbursement varies between 10 to 80 percent of approved costs. Rural areas have higher per pupil transportation costs and need to have equalization funding to meet those higher needs.

This year, Senator Charles Poochigian is authoring SB 536 which would establish a formula to equalize reimbursement of special education transportation services provided by a school district, county superintendent of schools, joint powers agreement, cooperative pupil transportation program, or consortium. To the extent that funding is appropriated, reimbursement would be the greater of either 80% of the prior year's costs or the prior year's special education transportation allowance.

Summer School Transportation

With the focus of legislation on supplemental instruction for ELL students, those failing to make sufficient progress toward passing the high school exit exam and those students in schools under the Accountability Act, this state will have a large number of students requiring supplemental instruction through summer school. With this increase of students requiring summer school, a need for transportation is created. Unless transportation is provided, students cannot attend the needed supplemental instruction.

Transportation funding needs to be provided to help eligible students attend summer school programs.

